GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1417
ANSWERED ON:04.03.2016
Unclaimed Investment Funds
Meena Shri Arjunlal;Reddy Shri Ch. Malla

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the details of assessment made by the Government regarding quantum of unclaimed investment funds at the end of the financial year 2015-16;

(b) whether the Government has identified such companies, which have unclaimed funds, but not disclosed it to the Registrar of Companies;

(c) if so, the details thereof;

(d) whether the unclaimed investment funds are transferred to Investment Education and Protection Fund, but in the absence of penalty clauses, many companies transferred such funds to their balance sheet; and

(e) if so, the unclaimed investment funds transferred to the Investment Education and Protection Fund after the expiry of the mandatory period of seven years?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY)

???????? ????? ?????? (???? ???? ?????)

(a), (b) and (c) : The quantum of unclaimed dividend at the end of financial year 2015-16 can be assessed only after filing of financial statements ending 31.03.2016 by companies with the Registrar of Companies (RoC). In accordance with the provisions of section 137 of the Companies Act, 2013, such financial statement as at 31.3.2016 is required to be filed by company duly adopted at their Annual General Meeting (AGM), with RoC within thirty days of the holding the AGM. Such AGMs have to be held latest by 30th September, 2016 and such financial statements have to be filed by 30th October, 2016. Therefore, this information is not available with the Ministry.

(d): As per provisions of Section 205A(5) of the Companies Act, 1956, the unpaid dividend accounts of the companies which remain unclaimed/unpaid for a period of 7 years are mandatorily required to be transferred to the Investor Education and Protection Fund (IEPF). Failure to do so will attract penalties as provided in Section 205A(8) of the Companies Act, 1956. The corresponding provision of Section 124 (7) of the Companies Act, 2013 which lays down the penal provisions for non-compliance of transfer of unpaid/unclaimed dividend on expiry of 7 years to IEPF, is yet to be notified.

(e): Unclaimed and unpaid amount of Rs. 1273.66 Crore (approx.) has been transferred to IEPF after the expiry of the mandatory period of seven years, for the period from 2001-02 to 2015-16 (upto 26.02.2016).

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